

FACTORS INFLUENCING THE SELECTION OF A REFORM MODEL FOR SRI LANKA POWER SECTOR

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DECLARATION

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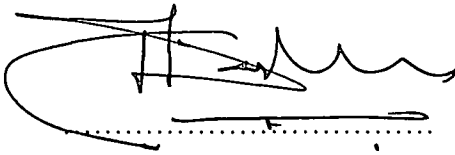


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Supervisor
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ABSTRACT

Electricity sector in Sri Lanka is a State owned monopoly with few independent power producers. Similar to other countries with growing economies in this region, Sri Lanka's electricity sector is becoming increasingly unable to meet the new demand for reliable and adequate power supply at a reasonable price. To full fill the above objective, power sector reforms will have to be introduced. In the reform process sector should be modeled in such a way that it would not only addressed the root causes of problems in the sector but also achieve the interests of the stakeholders and vision of the government. The GOSL has enacted the Electricity Reform Act No. 28 of 2002 and Public Utility commission of Sri Lanka Act No. 35 of 2002 to provide provision for regulate the power sector and to allow the restructuring of the Electricity Industry, including rationalization of the generation, transmission and distribution of electricity conducive to the development and management of the industry in an efficient, economic and competitive manner.

This study has been conducted to identify factors influencing the electricity reform process in Sri Lanka. First stakeholders of the electricity industry have been identified. Then stakeholders present and expected level of satisfaction of factors influencing the electricity reform process have been analyzed. Characteristics of the theoretical models applicable to electricity industry have been discussed and more emphasis given on single buyer model, which is more suitable to electricity industry in Sri Lanka. Behavior of influential factors in the model already proposed by the Power Sector Reform Office (PSRO) and two other alternative models have been discussed in the report. Finally subsidiary company model has been recommended as a better alternative model for electricity reforms in Sri Lanka. It is also recommended to formulate a sound legal framework for reforms by revising the CEB Act, Electricity Act, Reforms Act and PUCSL Act.

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ABBREVIATIONS

ADB	Asian Development Bank
BOO	Built Operate and Transfer
BOT	Built Own and Operate
CEB	Ceylon Electricity Board
CEI	Chief Electrical Inspector
CEO	Chief Executive Officer
DGEU	Department of Government Electrical Undertakings
DISCO	Distribution Company
GOSL	Government of Sri Lanka
GWh	Giga Watt hours
IPP	Independent Power Producer
Km	Kilo meter
Kv	Kilo volts
LA	Local Authority
LECO	Lanka Electricity Company (Pvt.) Limited
LTL	Lanka Transformer Ltd.
MAC	Monitory and Advisory Committee
MOPE	Ministry of Power and Energy
MW	Mega Watt
NPC	National Power Corporation
NTC	National Transmission Corporation
PPA	Power Purchase Agreement
PSRO	Power Sector Reforms Office
PUCSL	Public Utility Commission of Sri Lanka
SBU	Strategic Business Unit
SEB	State Electricity Board
SLEMA	Sri Lanka Energy Managers Association
UDA	Urban Development Authority
US	United States



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